

Service Date: July 31, 1990

DEPARTMENT OF PUBLIC SERVICE REGULATION
BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MONTANA

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IN THE MATTER of the Application)	UTILITY DIVISION
of US West Communications for)	
Forbearance of Rate Regulation)	DOCKET NO. 90.7.43
RE: Western Montana Clinic)	ORDER NO. 5489

FINAL ORDER

On July 16, 1990 US West Communications (USWC) filed an application with the Montana Public Service Commission (Commission or PSC) requesting forbearance of rate regulation to provide intraLATA long distance service (Message Toll Service - MTS, including Dial Station-to-Station, Customer Dialed Calling Card Station-to-Station, Operator-Handled Station-to-Station, Operator-Handled Person-to-Person, and collect intraLATA call types, and inward WATS 800 Service), to Western Montana Clinic, Missoula, Montana, pursuant to Section 69-3-808, MCA.

Through its investigatory process, the Commission found that a viable competitive offer exists for Dial Station-to-Station type MTS calls only (Carolyn D. Duke, sworn Affidavit, July 20, 1990 and letter from Carolyn D. Duke to Chuck Evilsizer, July 19, 1990). Therefore, on July 23, 1990, at a duly noticed work session, the Commission GRANTED USWC's forbearance application for Dial Station-to-Station service only. The Commission DENIES USWC's application to forbear tariffed rates for Customer Dialed Calling

Card Station-to-Station, Operator Handled Station-to-Station, Operator Handled Person-to-Person, and collect intraLATA call types and WATS 800 service to Western Montana Clinic.

Attached to and referenced in this application was a notarized letter from the Western Montana Clinic to USWC, dated July 13, 1990, requesting a proposal for direct distance dialed and 800 WATS calling. The letter noted that a bid was being sought from USWC and a proposal from Mednet was under consideration.

Although the forbearance statute (Section 69-3-808, MCA) may not permit analysis of the economic merits of USWC's discounted sales prices in considering the forbearance application itself, the Commission intends to analyze the merits of such discount prices in later dockets. There is absolutely no evidence in the instant or past forbearance applications that prices resulting from a negotiated contract or contracts for the services listed herein or in past applications will cover relevant economic costs. Further, no economic costs studies have been accepted by this Commission for USWC's toll services (see Order Nos. 5354d and 5354e, Docket No. 88.1.2). Therefore, USWC is hereby put on notice that to the extent any such sales prices resulting from a negotiated contract for Dialed Station-to-Station intraLATA MTS fall below the Commission's estimate of relevant marginal costs, the resulting shortfall shall be borne by USWC shareholders.

CONCLUSIONS OF LAW

USWC provides regulated telecommunications services within the state of Montana and is a public utility under the regulatory jurisdiction of the Montana Public Service Commission, sections 69-3-101 and 69-3-803(3), MCA.

The Commission has authority to supervise, regulate and control public utilities. Section 69-3-102, MCA.

USWC's application contained the information required by Section 69-3-808, MCA and ARM 38.5.2715.

Direct dialed station-to-station telecommunications toll service is being offered to the customer by a party other than the Applicant. Section 69-3-808(3), MCA.

ORDER

USWC is GRANTED FORBEARANCE of rate regulation with respect to the provision of direct dialed station-to-station intraLATA Message Telecommunications Service only (for the Western Montana Clinic).

USWC's application for forbearance with respect to the other toll services (calling card, operator-handled, collect and inward WATS 800) is hereby DENIED.

Done and Dated this 23rd day of July, 1990 by a vote of 4-0.

BY ORDER OF THE MONTANA PUBLIC SERVICE COMMISSION

DANNY OBERG, Vice Chairman

JOHN B. DRISCOLL, Commissioner

REX MANUEL, Commissioner

WALLACE W. "WALLY" MERCER, Commissioner

ATTEST:

Ann Peck
Commission Secretary

(SEAL)

NOTE: Any interested party may request that the Commission reconsider this decision. A motion to reconsider must be filed within ten (10) days. See ARM 38.2.4806.